

49 FR 48494-01, 1984 WL 133909(F.R.)
PROPOSED RULES
DEPARTMENT OF EDUCATION
34 CFR Part 668

Student Assistance General Provisions

Wednesday, December 12, 1984

***48494** AGENCY: Department of Education.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Secretary proposes to amend the Student Assistance General Provisions regulations for postsecondary institutions participating in the student financial assistance programs authorized by Title IV of the Higher Education Act (Title IV, HEA programs). These regulations are being amended to clarify requirements, to reduce institutional administrative burden, and to consolidate definitions and provisions common to all the Title IV, HEA programs that were previously contained in individual program regulations.

DATES: Comments must be received on or before February 11, 1985.

ADDRESSES: Comments should be addressed to Mr. Brian Kerrigan, Office of Student Financial Assistance, U.S. Department of Education, 400 Maryland Avenue, SW., (Room 4318, Regional Office Building No. 3), Washington, D.C. 20202.

FOR FURTHER INFORMATION CONTACT: Mr. Brian Kerrigan or Ms. Gail L. Cornish, Telephone (202) 472-4300.

SUPPLEMENTARY INFORMATION: On December 31, 1980, the Student Assistance General Provisions regulations governing the participation of postsecondary institutions in the student financial assistance programs authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA programs) were published in the Federal Register. The Title IV, HEA programs include the Pell Grant, Supplemental Educational Opportunity Grant (SEOG), College Work-Study (CWS), National Direct Student Loan (NDSL), State Student Incentive Grant (SSIG), Guaranteed Student Loan (GSL), and PLUS Programs. Although these regulations were final regulations implementing statutory amendments to Title IV of the Higher Education Act by the Education Amendments of 1980 (Pub. L. 96-374), comments were also requested.

These proposed regulations are being issued in accordance with the Department's deregulation initiative. They also reflect comments received from the postsecondary education community in response to the regulations published on December 31, 1980, as well as subsequent amendments to the Student Assistance General Provisions regulations published in the Federal Register on April 11, August 30 and October 6, 1983. These proposed amendments clarify requirements, reduce institutional administrative burden and consolidate common Title IV, HEA program definitions and provisions.

The following is a discussion of the proposed amendments to the Student Assistance General Provisions regulations.

I. Subject A—General

Section 668.2—General definitions. A “general definitions” section is proposed in Subpart A to consolidate definitions common to all the Title IV, HEA programs from the individual program regulations in an effort to ease confusion. This consolidation eliminates redundancy in the definition sections of the program regulations and clarifies which terms are common to all the programs. Those definitions which are peculiar to each program remain in the individual program regulations.

Section 668.3—Public or private nonprofit institution of higher education. In the current definition, a public or private nonprofit institution of higher education which seeks to participate solely in the GSL or PLUS Program but cannot be accredited or

Administrative practice and procedure, Colleges and universities, Consumer protection, Education, Grant programs—Education, Loan programs—Education, Student aid.

Citation of Legal Authority

A citation of statutory or other legal authority is placed in parentheses on the line following each substantive provision of these proposed regulations.

Dated: December 6, 1984.

T.H. Bell,

Secretary of Education.

(Catalogue of Federal Domestic Assistance Numbers: Supplemental Educational Opportunity Grant Program, 84.007; Guaranteed Student Loan Program, 84.032; PLUS Program, 84.032; College Work-Study Program, 84.033; National Direct Student Loan Program, 84.038; Pell Grant Program, 84.063; State Student Incentive Grant Program, 84.069)

The Secretary proposes to revise Part 668 of Title 34 of the Code of Federal Regulations to read as follows:

PART 668—STUDENT ASSISTANCE GENERAL PROVISIONS

Subpart A—General

Sec.8.1 Scope.8.2 General definitions.8.3 Public or private nonprofit institution of higher education.8.4 Proprietary institution of higher education.8.5 Postsecondary vocational institution.8.6 Vocational school.8.7 Definition of an independent student.

Subpart B—Standards for Participation in Title IV, HEA Programs

8.11 Scope.8.12 Institutional participation agreement.8.13 Factors of financial responsibility.8.14 Standards of administrative capability.8.15 Additional factors for evaluating administrative capability and financial responsibility.8.16 Federal interest in Title IV, HEA program funds.8.17 Change in ownership resulting in a change in control.8.18 Written agreements between an eligible institution and an ineligible entity.8.19 Financial aid transcript.8.20 Limitation on the amount of remedial coursework that is eligible for Title IV, HEA program assistance.8.21 Treatment of Pell Grant, SEOG and NDSL Program funds if the recipient withdraws, drops out or is expelled before his or her first day of class.668.22 Distribution formula for institutional refunds and for repayments of disbursements made to the student for non-institutional costs.668.23 Audits, records and examination.668.24 Audit exceptions and repayments.668.25 Loss of institutional eligibility.

Subpart C—Statement of Educational Purpose and Selective Service Registration Requirements

668.31 Scope.668.32 Statement of educational purpose. *48501 668.33 Statement of registration compliance.668.34 Model statement of educational purpose and registration compliance.668.35 Verification of registration compliance for academic years beginning on or after July 1, 1985.668.36 Notification and administrative review.668.37 Record retention requirements.

Subpart D—Student Consumer Information Services

668.41 Scope and special definition.668.42 Preparation and dissemination of materials.668.43 Financial assistance information.668.44 Institutional information.668.45 Availability of employees for information dissemination purposes.

Subpart E—[Reserved]

Subpart F—Misrepresentation

668.61 Scope and special definitions.668.62 Nature of educational program.668.63 Nature of financial charges.668.64 Employability of graduates.668.65 Procedures.

Subpart G—Fine, Limitation, Suspension and Termination Proceedings

668.71 Scope and special definitions.668.72 Standard of conduct.668.73 Emergency action.668.74 Fine proceedings.668.75 Suspension proceedings.668.76 Limitation or termination proceedings.668.77 Pre-hearing conference.668.78 Hearing on the record.668.79 Authority and responsibilities of the administrative law judge.668.80 Initial and final decisions—Appeals.668.81 Verification of mailing and receipt dates.668.82 Fines.668.83 Limitation.668.84 Termination.668.85 Reimbursements, refunds and offsets.668.86 Reinstatement after termination.668.87 Removal of limitation.

Authority: Sections 435, 481, 485, 487 and 1201 of the Higher Education Act of 1965, as amended; [20 U.S.C. 1085](#), [1088](#), [1091](#), [1092](#), [1094](#) and [1141](#).

Subpart A—General[34 CFR § 668.1](#)**§ 668.1 Scope.**

(a) This part establishes general rules that apply to an institution that participates in any student financial assistance program authorized by Title IV of the Higher Education Act of 1965, as amended (Title IV, HEA program).

(b) As used in this part, an “institution” includes—

- (1) A public or private nonprofit institution of higher education as defined in [§ 668.3](#);
- (2) A proprietary institution of higher education as defined in [§ 668.4](#);
- (3) A postsecondary vocational institution as defined in [§ 668.5](#); and
- (4) A vocational school as defined in [§ 668.6](#).

(c) The Title IV, HEA programs include—

- (1) The Pell Grant Program ([20 U.S.C. 1070a](#); 34 CFR Part 690);
- (2) The Supplemental Educational Opportunity Grant Program (SEOG) ([20 U.S.C. 1070b](#); et seq.; 34 CFR Part 676);
- (3) The State Student Incentive Grant Program (SSIG) ([20 U.S.C. 1070c](#) et seq.; 34 CFR Part 692);
- (4) The Guaranteed Student Loan Program (GSL) ([20 U.S.C. 1071](#) et seq.; 34 CFR Part 682);
- (5) The PLUS Program ([20 U.S.C. 1078-2](#); 34 CFR Part 683);
- (6) The College Work-Study Program (CWS) ([42 U.S.C. 2751](#) et seq.; 34 CFR Part 675); and
- (7) The National Direct Student Loan Program (NDSL) ([20 U.S.C. 1087aa](#) et seq.; 34 CFR Part 674).

([20 U.S.C. 1070](#) et seq.)

[34 CFR § 668.2](#)**§ 668.2 General definitions.**

The following definitions apply to all Title IV, HEA programs: